

# Bentley University Fiscal Year 2023 Financial Narrative

Bentley University concluded the fiscal year on June 30, 2023 in a robust financial position, preserving the strength of the balance sheet and consistently growing net assets from operating activities. The healthy operating results will allow the university to support investments in the Falcons Forward 2030 strategic plan.

## **Statement of Financial Position**

Cash and working capital balances remained strong increasing by \$5.3 million and ending the year at \$95.9 million. Investments saw a modest increase to \$345.1 million driven by favorable investment returns of \$13.4 million combined with \$2 million in new gifts to the endowment and offset by an annual endowment distribution of \$14.4 million. FY2023 capital spending was focused on renewal and improvement projects and totaled \$17.8 million. Total net assets increased by \$24 million for the year and an impressive \$128 million cumulative increase since FY2019.

## **Statement of Activities**

### **Operating Results**

Bentley University ended fiscal year 2023 with an operating margin of \$23.9 million. With the enrollment of the university's largest first-year class, there was a total increase of \$8 million in undergraduate tuition, and room and board. This year-over-year increase is offset by the one-time net revenue deferral of approximately \$8 million recognized in FY2022 as a result of the FY2021 decision to extend the academic calendar through the summer term, which crossed fiscal years.

Government grant revenue decreased by \$8.1 million primarily because in FY2022 the university received a combined total of \$8.8 million in federal funding to cover the costs and revenue losses associated with the COVID-19 pandemic.

Operating expenses increased modestly by \$5 million or 2.2%, the result of prudent expense management and a level debt structure providing budget stability.

### **Non-Operating Results**

Non-operating contributions and pledges totaled \$5.8 million while net assets released from restrictions were \$4.2 million. Investment returns of \$13.4 million were offset by the annual endowment draw to fund operations of \$14.4 million.